

**Commonwealth of Massachusetts
Office of Consumer Affairs & Business Regulation
DIVISION OF ENERGY RESOURCES**

MASSACHUSETTS RENEWABLE ENERGY PORTFOLIO STANDARD

**GUIDANCE FOR RETAIL ELECTRICITY SUPPLIERS
ON THE USE OF NEPOOL-GIS SUB-ACCOUNTS
FOR THE PURPOSE OF
DOCUMENTING MASSACHUSETTS RPS COMPLIANCE**

Pursuant to the Renewable Energy Portfolio Standard Regulations at 225 CMR 14.00

Retail Electricity Suppliers serving load in Massachusetts should adhere to this Guidance regarding the use of the New England Power Pool Generation Information System (NEPOOL-GIS) sub-accounts.¹ This guidance is provided in anticipation of the beginning of the next GIS certificate trading period (July 15-September 15) for electricity generated in the first quarter of 2003, which is the first Compliance Year of the Renewable Energy Portfolio Standard (RPS).²

Suppliers are reminded that they are required to be in compliance at the end of each calendar year with regard to each individual Retail Electricity Product (225 CMR 14.09 (1)), and that each such Product (including Standard Offer and Default Service) *must* have its own sub-account on the NEPOOL-GIS system. The Division of Energy Resources (DOER) will accept GIS Certificates as documentation for RPS compliance only if they are included in “My Certificates Disposition” reports from NEPOOL-GIS sub-accounts.

A **Massachusetts Retail Electricity Product** is defined in the RPS regulations at 225 CMR 14.02 as follows:

An electrical energy offering that is distinguished by its Generation Attributes and that is offered for sale by a Retail Electricity Supplier to End-Use Customers in Massachusetts.

Thus, any retail product offering that makes an *attribute-based marketing claim* – for example, a “green” product or a “clean” product or a “25% renewable” product – would (1) be a Retail Electricity Product under RPS, (2) require its own NEPOOL-GIS sub-account, and (3) need to be demonstrably in compliance with the RPS Minimum Standard. On the other hand, offerings to customers with varying contracts, provided that no attribute claims are made, would *not*, for RPS purposes, need to be differentiated as *separate* Retail Electricity Products under RPS and, therefore, would *not*, for RPS purposes, require *separate* sub-accounts. (See footnote 2 with regard to use of sub-accounts by other Agencies.)

¹ Note that in this Guidance, NEPOOL-GIS is being used identically to NE-GIS, as the latter is defined in the RPS regulations at 225 CMR 14.02.

² DOER understands that the Department of Environmental Protection (DEP) and the Department of Telecommunications and Energy (DTE) have planned regulations (for Generation Performance Standards [also known as Emission Performance Standards] and Disclosure Labels, respectively) that will also require use of NEPOOL-GIS sub-accounts. Those Agencies hope their forthcoming regulations will be consistent with these DOER guidelines, but cannot presume the outcome of the respective regulatory processes.

Pursuant to the above considerations, Retail Electricity Suppliers serving end-use customers in Massachusetts should follow this procedure:

1. Set up a separate NEPOOL-GIS sub-account for each attribute-based Massachusetts Retail Electricity Product. For information or assistance with setting up sub-accounts, see the Help section at www.nepoolgis.com or contact the GIS Administrator at gis@apx.com.
2. Following assignment of the load obligation by the GIS Administrator to a main obligation account and prior to the close of each quarterly certificate trading period, transfer all of such obligation to the appropriate sub-accounts, as per the GIS Operating Rules.
3. Be prepared to verify that, over the calendar year, the load obligation transferred to each product sub-account is equal to the sales of the product as documented by Electronic Business Transactions (EBT) records or by a third party auditor.³ Suppliers may prefer to identify sub-accounts through the use of any currently unused, traceable EBT fields – such as Customer Class, Rate Code, or Supplier Account Number.
4. Prior to the close of each quarterly certificate trading period, transfer to appropriate sub-accounts all of the Certificates that are from New Renewable Generation Units. ***Any such Certificates that remain in the main obligation account will be declared by the NEPOOL-GIS as Unsettled Certificates and become part of the Residual Mix after the close of the trading period and will, thereby, lose their value for RPS compliance.***
5. The quantity of RPS Certificates placed within a sub-account over a calendar year that are in excess of the quantity necessary to meet the minimum RPS standard, as well as any other documented New Renewable Generation Attribute claims, can be identified in the annual Compliance Filing as “banked” Attributes. Such banked Attributes can be used toward demonstration of RPS compliance of any Retail Electricity Product in either or both of the two subsequent Compliance Years, within the limitations set forth in the RPS regulations at 225 CMR 14.08 (3). Once banked, such Attributes can be reallocated for RPS Compliance to any Product sub-accounts.

Finally, please be aware that each Retail Electricity Product must comply with the RPS minimum standard (at 225 CMR 14.07) in addition to any possible marketing claim with regard to supplying a certain percentage of electricity from renewable energy generation. Specific marketing rules on accounting for the percentage claim that meets the obligatory RPS standard, and that which meets the discretionary portion of the electricity product, have not been prescribed at this time. However, DOER is of the opinion that marketers should at least clearly state the basis of any attribute claim to consumers.

³ As a part of the RPS compliance filing, DOER requires verification, by an independent third party satisfactory to DOER, of the volume of sales of each product on a calendar year basis [225 CMR 14.09(1)(b)]. DOER will accept verification from EBT records and is considering providing an example of the use of the EBT data fields for verification sufficient for RPS compliance, so that an independent auditor is not necessary. As per RPS regulations, DOER will keep product information confidential to the extent permitted by law.